

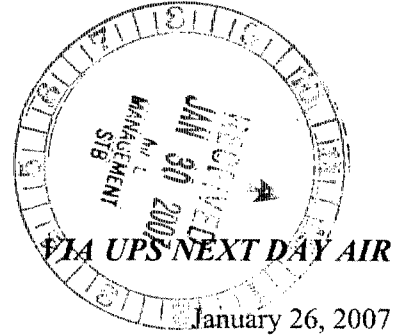
JAN 30 '07

2-27 PM

SURFACE TRANSPORTATION BOARD

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 500
Rosemont, IL 60018-4214



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and one (1) copy of a Memorandum of Lease Agreement, dated December 12, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 26666.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Abrasives Incorporated
4090 Hwy 49
Glen Ullin, ND 58631

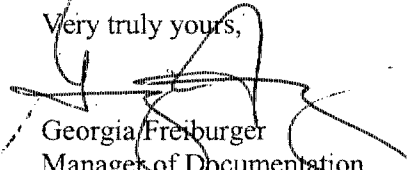
A description of the railroad equipment covered by the enclosed document is six (6) 2743 cu. ft. covered hopper cars, with NDYX, marks.

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions regarding the above-referenced matter, please contact me at (847) 384-5387. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosures

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 12th day of December, 2006, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Abrasives Incorporated ("Lessee"), a North Dakota corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of July 11, 2006, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of _____, _____, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard F. Seymour

Name: _____

RICHARD F. SEYMOUR

VICE PRESIDENT SALES & MARKETING

ATTEST:

By: Susan GrokulskaName: SUSAN GROKULSKYTitle: Mgr. of Documentation Executed on this 12th day of December 2006

[CORPORATE SEAL]

RECORDATION NO. 216666-A FILED

JAN 30 '07

2-27 PM

STATE OF ILLINOISCOUNTY OF COOK

SURFACE TRANSPORTATION BOARD

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

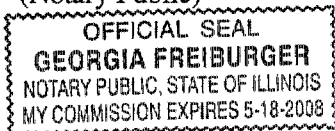
WITNESS my hand and official stamp or seal, this 12th day of December 2006

Notary Public

My Commission Expires:

5-2008

(Notary Public)



LESSEE:

ABRASIVES INCORPORATED

ATTEST:

By:

Name:

Title:

By:

Name:

Title:

Executed on this 21st day of November, 2006.

[CORPORATE SEAL]

STATE OF NORTH DAKOTA

COUNTY OF MORTON

I, JoAnn M. Schatz, a Notary Public of the County and State aforesaid, certify that Larry R. Roth personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 21st day of November, 2006.

JoAnn M. Schatz
Notary Public

Commission Expires: 01-12-08

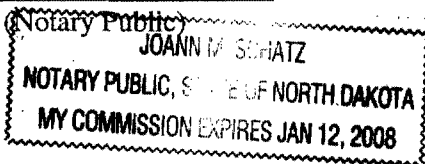


EXHIBIT A
to
MEMORANDUM OF LEASE

- I. NUMBER OF CARS: Six (6)
- II. DESCRIPTION OF CARS: 52'6" gondola cars with 5'6" sides, 2743 cu. ft., loading to 286,000 lbs.
GWR, 1995 or 1999 built.
- III. CAR NUMBERS:
- NDYX 320810
NDYX 320814
NDYX 320820
NDYX 321550
NDYX 321565
NDYX 321567